1942

**File No.** O. Securities Contract Control/42

Legal **DEPARTMENT**

'A' **BRANCH**

p. 5(E)

**Subject:—**

Opinions under the Bombay Securities Contract Control Act, 1925.

**File No.** O. Securities Contract Control/42

Std. Sectt. Slip 24 B e.

401-A.

CONTENTS.

Legal Deptt. file No. O. Securities Contract Control/42.

| Sr. No. | Comp. No. | Subject. | Pages. |
|---|---|---|---|
| | | Opinions under the B'bay Securities Contract Contrl Act 1925. | |
| 1) | O.No. 4771/10/0 /42. | Rule 89(b) of the Native share and Stock Brokers' Association Rules. Powers conferred on the Board of the Native share and stock Brokers' Association. Whether a certain resolution passed by the Board in pursuance of the powers conferred on it is intra vires. | 1/2. |
| 2, | 5375/16/10/42. | Re: Recasting of the resolution in a general form. | 3/4 |

Sec 31/5

Secy Reckoning.
5/5

C/5

with the necessary staff for the management of its business. (See rules 92 and 94). It is presumed that it is not the removal of the Brehers Hall which is contemplated and that the administrative office

Office of the R.L.A.

At its meeting held on 28-4-1942 the Governing Board of the Native Share and Stock Brokers' Association has passed the following resolution: " Resolved that in exercise of powers conferred on the Board by Rule 89(b) the President be and is hereby specially authorised to exercise any of the powers conferred on the Board for the conduct and despatch of the business of the Association including in particular the power of removing its administrative office and postpoing esttlement days."

2. The question for the consideration of the R.L.A. is whether the resolution is intra vires.

3. Rule 89(b) of the Native Share and Stock Brokers' Association Rules provides for power of the Board to delegate to the President any of the powers expressly conferred on the Board by any rule for the time being in force for the conduct and despatch of business. The power to postpone settlement days vests in the Board under rule 298(a). Consequently the delegation of that power to the President is competent. Under rule 90(a) the management of the business and the control of the Association and control of the properties and funds of the Association and of its income shall subject to the rules of the Association vest in the Board. Under that rule the Board may also exercise all such powers and do all such acts and things as may be exercised by the Association in general meeting assembled. It is necessary for the Board to maintain an administrative office* can be separated from the Hall. The control over the administrative office vests in the Board under rule 90(a). Such power of the Board would include also power to remove its administrative office from Bombay

* please slip

during an emergency. Consequently the delegation of power to remove the administrative office by the Board to its President appears also to be competent. The resolution of the Board is therefore intra vires.

sd/- P.N.M.

Remembrancer of Legal Affairs.

U.R. to F.D. No. 4771, dated the 10th June 1942.

Madhav Raokadam.

5/5

C/4

Office of the R.L.A.

Though the resolution in this case is in effect correct, yet in form it seems to particularise. To leave no scope for controversy controversy or doubt such as Mr. Shroff has actually raised, it is advisable to ask the Association to recast its resolution in a general.

sd/- P.N.M.
15/10

Remembrancer of Legal Affairs.

J. S. to F.D. No. 3375, dated the 16th October 1942.

Madhav Mackodam.
S/S
c/4